

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6174

AN ORDINANCE providing for the release of funds from the proceeds of the sale of the Old Convention Center Site to the Bellevue Convention Center Authority to finance costs of improvements to the Meydenbauer Convention Center, and other matters related thereto.

WHEREAS, the City Council of the City of Bellevue, Washington (the "City"), has determined that it is in the public interest to finance renovations of and other improvements to the Meydenbauer Convention Center; and

WHEREAS, pursuant to the First Amended Lease Purchase Agreement between the City and the Bellevue Convention Center Authority (the "Authority"), dated August 1, 1991, as amended (the "Lease Purchase Agreement"), the First Amended Sublease between the City and the Authority dated August 1, 1991, as amended (the "Lease"), and the First Amended Design, Development, Construction, Financing and Operating Agreement between the City and the Authority dated August 1, 1991, as amended (the "Operating Agreement" and collectively with the Lease Purchase Agreement and the Lease, the "Agreements"), the City authorized the Authority to construct, operate and maintain the Meydenbauer Convention Center for lease back to the City; and

WHEREAS, pursuant to the Agreements, the City has previously pledged lodging taxes levied pursuant to RCW 67.28.180 ("2% Revenues") and RCW 67.28.181 ("3% Revenues" and together with the 2% Revenues, "Lodging Taxes") to pay debt service on the Authority bonds and certain City bonds, and maintenance and operating costs of the Meydenbauer Convention Center; and

WHEREAS, concurrently with this ordinance, Council is adopting an ordinance providing for the issuance of limited tax general obligation bonds of the City in an aggregate principal amount not to exceed \$10,000,000 for the purpose of providing funds to finance improvements to the Meydenbauer Convention Center (the "Bonds"), and approving the Sixth Amendment to the First Amended Design, Construction, Financing and Operating Agreement between the City and the Authority (the "Sixth Amendment"); and

WHEREAS, on December 4, 1989, the City Council enacted Ordinance No. 4094, adopting a Convention Center Backup Financing Plan; and

WHEREAS, on March 4, 1991, the City Council enacted Ordinance No. 4229, which amended the Backup Financing Plan by adding as a funding mechanism the levy of a business and occupation tax (other than upon the business of the making of retail sales of tangible personal property measured by gross receipts or gross income from such sales) on businesses located within a geographical area which benefits from the Meydenbauer Convention Center; and

WHEREAS, the Backup Financing Plan was adopted by the City Council to provide financing mechanisms to stand between expenses of the Meydenbauer Convention Center and the General Fund of the City; and

WHEREAS, on December 14, 1992, the City Council adopted Ordinance No. 4462, adopting the Amended Backup Financing Plan (the "Plan") and superseding any previously adopted Backup Financing Plan; and

WHEREAS, the purpose of the Plan was to provide financing mechanisms to be used by the City in the event that the hotel/motel taxes and Convention Center operating revenues, or other revenues available to the Authority were insufficient for the Authority to pay the debt service on the bonds issued to finance the Meydenbauer Convention Center, in order to avoid recourse to the City's General Fund; and

WHEREAS, the City Council may from time to time amend the Plan to reflect current conditions; and

WHEREAS, the form, content and implementation of the Plan shall be determined solely by the City Council; and

WHEREAS, at the time the Plan was adopted, the City owned real property on the corner of 116<sup>th</sup> Avenue Northeast and Main Street, known as the "Old Convention Center Site"; and

WHEREAS, the Plan provided that the Old Convention Center Site could be transferred to the Authority or sold subject to the terms of the Operating Agreement, as amended; and

WHEREAS, in Article III, Section C of the Operating Agreement, as amended, the City agreed to transfer the Old Convention Center Site in fee to the Authority or to sell the Old Convention Center Site and transfer the proceeds of the sale to the Authority; and

WHEREAS, on March 25, 1996, the City Council adopted Resolution No. 5993, authorizing the City Manager to execute an agreement to sell the Old Convention Center Site to ESA Development Inc. and to place the proceeds of the sale in the City's Convention Center Fund; and

WHEREAS, on September 3, 1996, the City Council adopted Ordinance No. 4907 renaming the "Convention Center Fund" created by Section 3 of Ordinance No. 2132, as amended by Section 1 of Ordinance No. 4089 to the "Hotel/Motel Tax Fund"; and

WHEREAS, to date, the proceeds from the sale of the Old Convention Center Site have not been transferred to the Authority; and

WHEREAS, the proceeds from the sale of the Old Convention Center Site have accrued interest over time; and

WHEREAS, the City has determined that revenues from the City's Lodging Taxes are sufficient to cover debt service on all applicable outstanding debt issued by the Authority and are projected to continue to be sufficient to cover debt service on all applicable outstanding debt issued by the City including the Bonds to be issued prior to June 30, 2015; and

WHEREAS, the City Council has determined it is reasonable to use the proceeds from the sale of the Old Convention Center Site and accrued interest, estimated at \$4.1 million, to pay a portion of the costs of improvements to the Meydenbauer Convention Center; and

WHEREAS, the City Council has determined that the Authority has used all other reasonable means to meet its financial obligations; and

WHEREAS, use of the proceeds from the sale of the Old Convention Center Site and accrued interest for the purpose of paying costs of improvements to the Meydenbauer Convention Center is consistent with state law, City ordinances, the Plan, the Agreements, and the Sixth Amendment, and is in the public interest; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
ORDAIN AS FOLLOWS:

Section 1. The City Council hereby authorizes the Finance Director or her designee to release the proceeds in the City's Hotel/Motel Tax Fund from the sale of the Old Convention Center Site to the Authority, together with interest thereon, in an amount estimated at \$4.1 million for the purpose of paying costs of improvements to the Meydenbauer Convention Center, and for no other purpose.

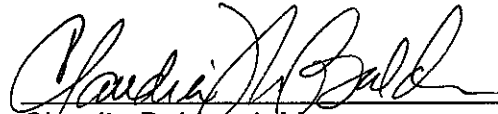
Section 2. The City Council hereby authorizes the City Manager or his designee to execute all documents and take all actions necessary to release said funds to the Authority in accordance with this ordinance.

Section 3. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

ORIGINAL

Passed by the City Council this 4<sup>th</sup> day of August, 2014  
and signed in authentication of its passage this 4<sup>th</sup> day of August,  
2014.

(SEAL)

  
Claudia Balducci, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

  
Darcie Durr, Assistant City Attorney

Attest:

  
Myrna L. Basich, City Clerk

Published August 7, 2014